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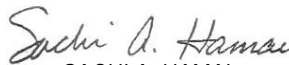
ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

May 31, 2011

#26 MAY 31, 2011

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012


SACHI A. HAMAI
EXECUTIVE OFFICER

Dear Supervisors:

**RECOMMENDATION TO TERMINATE THE CAL-LEARN CASE MANAGEMENT CONTRACTS IF
ADDITIONAL FUNDING IS NOT SECURED
(ALL DISTRICTS - 3 VOTES)**

SUBJECT

The State Budget package for Fiscal Year (FY) 2011-12 signed by Governor Brown on March 24, 2011, adopted a \$45 million reduction to the Cal-Learn Program and suspended the entire Cal-Learn Program except for the issuance of bonuses to Cal-Learn participants for FY 2011-12. The current funding for the Cal-Learn Program in Los Angeles County is \$8.3 million annually. Due to the State's reduction of the Cal-Learn Program, the Department of Public Social Services (DPSS) has identified the following recommended actions.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Delegate authority to the Director of DPSS, or his designee, to terminate for convenience, the Cal-Learn Case Management contracts with the four Adolescent Family Life Program (AFLP) agencies listed in Attachment A not sooner than June 30, 2011, if an outside funding source is not found and verified prior to June 16, 2011. The Director, or his designee, will notify the Board and Chief Executive Office (CEO) in writing within ten business days after the contracts' termination.
2. If offered, delegate authority to the Director of DPSS, or his designee, to accept funding in the estimated amount of \$2.9 million from the First 5 Los Angeles Commission (First 5), to continue the provision of services under the County's Cal-Learn Case Management contracts with the four AFLP agencies listed in Attachment A.
3. If the funding in recommendation No. 2 is secured, delegate authority to the Director of DPSS, or his designee, to amend the current Cal-Learn Case Management contracts with the four AFLP

agencies listed in Attachment A, to revise the scope of services and cost under these contracts in order to serve a reduced number of participants, necessitated by a reduction in funding for the Cal-Learn Program for FY 2011-12 and to add any relevant updated terms and conditions.

4. Delegate authority to the Director of DPSS, or his designee, to enter into new Cal-Learn contracts with the four AFLP agencies similar to the current contracts, including the firm fixed fee rate reflected in the contracts, for no more than three years, in order to restart the services, provided that a) funding is restored by the State, b) prior CEO and County Counsel approval is obtained, and c) the Director, or his designee, notifies the Board and CEO in writing within ten business days after execution.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On August 11, 2009, the Board delegated authority to the Director of DPSS to execute three-year contracts with the four AFLP agencies effective September 1, 2009 through August 31, 2012, to provide case management services to CalWORKs participants who are 19 years old and under, pregnant or parenting, and have not completed their high school education. The four Cal-Learn contractors have provided satisfactory services to the County for the past 16 years.

Cal-Learn case management services are provided to approximately 3,200 pregnant and parenting teens with 3076 children who are between the ages of 0 to 5. The breakout of the ages of their children is as follows (for April 2011):

- Under age 1 1,242
- Age 1 1,009
- Age 2 555
- Age 3 213
- Age 4 45
- Age 5 12

TOTAL 3,076

The above counts do not include unborn children or the 3 children who are over age 5.

The high school graduation rate of teens in the Cal-Learn Program has continued to rise in the last three years. Between September 2009 and August 2010 there were 456 Cal-Learn teens (out of about 3,200 total) who had completed the 11th grade and who therefore could have graduated. Since 390 of these teens did graduate, that translates into a graduation rate of 86 percent for those teens. Comparison data for the prior two years is as follows:

September 2008 - August 2009 76 percent (285 out of 373)
September 2007 - August 2008 73 percent (205 out of 279)

On March 24, 2011, the Governor signed into law several budget related bills that included suspending the entire Cal-Learn Program except for the issuance of bonuses to Cal-Learn participants for FY 2011-12 and, if funding is available, restoring the Cal-Learn Program for FY 2012-13.

As a result, approximately 3,200 teens in Los Angeles County are scheduled to lose access to the intensive case management services they currently receive from the four AFLP agencies who

receive funding through contracts with DPSS. Some of these teens can be managed by DPSS staff, who will monitor the teens' school attendance, progress and supportive services needs; however, within the overall population, there is a substantial group of teens who are considered high-risk.

The high-risk group consists of those teens most in danger of dropping out of school during the State's one-year suspension of funding for the Cal-Learn Program. Continuing Cal-Learn services to this high-risk group will help ensure that the teens most in need continue to receive the help they need to finish high school, which is critically important to the future well-being of these teen parents and their young children. The continuation of services will also maintain an infrastructure to re-engage the entire population in July 2012 when the program is scheduled to be reinstated under current State law. The acceptance of funding from First 5 is appropriate as the four AFLP agencies have reported that at least 95 percent of Cal-Learn participants are either pregnant or parenting teens with children who are zero to five years of age.

If the funding from First 5 is secured, the scope of services may require revisions to provide a reduced level of Cal-Learn services and to incorporate the need to manage the cases for high-risk teens in accordance with Cal-Learn and Welfare-to-Work (WtW) policy and procedures as it relates to 1) orientations for high-risk teen parents, 2) the enrollment process of new "high risk" teens referred by DPSS case managers to the AFLP agencies, 3) the entering of case plan components and session types into GEARS, the Department's WtW and Cal-Learn computer system, and 4) submission of quarterly attendance and progress reports.

DPSS is requesting authority to terminate its Cal-Learn Case Management contracts if funding cannot be verified from First 5 to pay for the services under the County's Cal-Learn Case Management contracts with the four AFLP agencies, prior to June 16, 2011. Although the funding from the State will not halt until June 30, 2011, under the County's contract with AFLP agencies it must provide ten work days notice before it may terminate the contract for convenience.

Implementation of Strategic Plan Goals

The recommended actions are consistent with the principles of the Countywide Strategic Plan Goal #1 – Operational Effectiveness: Maximize the effectiveness of the County's processes, structure, and operations to support timely delivery of customer-oriented and efficient public services and Strategic Plan Goal #2: Children, Family and Adult Well-Being: Enhance economic and social outcomes through integrated, cost- effective and client-centered supportive services.

FISCAL IMPACT/FINANCING

The four Cal-Learn contracts are funded through CalWORKs Single Allocation at a cost of approximately \$25 million for three years or \$8.3 million annually. The recommended termination of the four Cal-Learn contracts effective June 30, 2011, would reduce estimated FY 2011-12 CalWORKs direct services expenditures by approximately \$8.3 million, to bring estimated costs within the level of the CalWORKs Single Allocation funding. There is no net County cost impact.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Cal-Learn contracts that are recommended for termination grant the County the authority to terminate the contracts for convenience. The CEO and County Counsel have reviewed this Board letter.

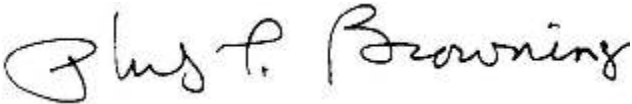
IMPACT ON CURRENT SERVICES (OR PROJECTS)

The recommended action will reduce services to Cal-Learn participants. However, the Cal-Learn participants will be included in DPSS' regular Greater Avenues for Independence (GAIN) WtW program with education as their GAIN activity and will continue to receive bonuses and supportive services and if funding is obtained from First 5, the high risk Cal-Learn participants will continue to be served by the Cal-Learn providers.

CONCLUSION

The Executive Officer, Board of Supervisors, is requested to return one adopted stamped Board letter to the Director of DPSS.

Respectfully submitted,

A handwritten signature in black ink that reads "Philip L. Browning". The signature is written in a cursive, flowing style.

PHILIP L. BROWNING
Director

PLB:kb

Enclosures

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors
Deputy Chief Executive Officer

CAL-LEARN CASE MANAGEMENT CONTRACTS

Adolescent Family Life Program (AFLP) Agencies	Current Estimated Annual Contract Cost*	Current Estimated Total Three-Year Contract Cost
AltaMed Health Services Corporation	\$2,205,036	\$6,615,108
Childrens Hospital Los Angeles	\$811,044	\$2,433,132
El Nido Family Centers	\$4,207,308	\$12,621,924
Foothill Family Service	\$1,140,528	\$3,421,584
TOTAL	\$8,363,916	\$25,091,748

* The contract term is from September 1, 2009 through August 31, 2012. Annual cost was estimated for each year within the contract term. FY 2011-12 estimated cost is at \$8,363,916 prior to the suspension of the Cal-Learn Program for FY 2011-12.